



Vietnam Market for Plastic Materials, Equipment and Machinery

By U.S. Commercial Service – Vietnam
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Overview

Plastic Material Market (in million US\$)

	2009	2010	2011 (estimated)
Total Market Size	3065	3502	4062
Total Local Production	385	420	518
Total Exports	0	126	155
Total Imports	2680	3082	3544
Imports from the U.S.	134	154	177

Plastic Equipment and Machinery Market (in million US\$)

	2009	2010	2011 (estimated)
Total Market Size	398	418	439
Total Local Production	16	17	19
Total Exports	0	0	0
Total Imports	382	401	420
Imports from the U.S.	9.5	10	11

(Note: Unofficial estimates/source: Vietnam Plastics Association and industry contacts)

The plastic product manufacturing industry is one of the fastest growing industries in Vietnam, sustaining an average growth rate of 15 to 20 percent annually during the last ten years. This robust growth is driven by significant increases in both domestic consumption and exports. Plastic consumption per capita grew sharply from 12 kg per year in 2000 to 40 kg per year in 2010 and Vietnamese plastic exports rose dramatically from US\$200 million in 2000 to US\$1 billion in 2010.

The country produces a broad array of plastic products including packaging products, house wares, construction materials, electronic and electrical components, motorbike and automotive parts, and components for the telecommunications and transportation industries. To date, Vietnam has exported its plastic products, mostly plastic packaging items, to 41 nations and territories in the world and records an average export growth rate of 21 percent per year.

Vietnam is a net importer of plastic materials and machinery needed for its rapidly-growing plastic industry. The country imports approximately 90 percent of input materials, mostly from Taiwan, Korea, Thailand, and Singapore. In addition, Vietnam imports roughly 96 percent of the equipment and machinery, mostly from Taiwan, China, Korea, and Japan.

Best Prospects and Opportunities

Driven by the urgent need to upgrade its manufacturing technologies and diversify products to increase its plastic products' competitiveness, Vietnam is importing more advanced plastic manufacturing equipment and machines as well as high-quality plastic materials. This trend

offers good sales prospects for U.S. manufacturers and suppliers of plastic machinery and materials.

Furthermore, Vietnam's development strategy includes fostering more value-added up-stream and down-stream industrial capacity. This includes the development of 3 large petrochemical refineries as well as the construction of factories to produce plastic materials, semi-finished products, chemicals, additives and molds, which present opportunities for the U.S. suppliers of plastic manufacturing equipment, machines and mold-making technology. In addition, the country's plan to build a number of plastic waste recycling facilities presents good sales opportunities for the U.S. suppliers of related equipment and machines.

Meanwhile, the country's concentration on producing hi-tech and for-export plastic products presents great market opportunities for U.S. suppliers of high-quality plastic input materials.

On top of these best prospect sub-sectors for U.S. suppliers, there is interest in plastic scrap and second-hand but well-functioning plastic manufacturing equipment and machines. However, at present, the importation of plastic scrap and second-hand plastic manufacturing equipment and machines are subject to fairly rigorous regulations. Details on the regulatory issues related to the importation of these items are available from the U.S. Commercial Service in Vietnam.

Plastic industry analysts estimate that imports of plastic materials and machinery from the United States account for a modest share of 5 percent and 2.5 percent respectively of Vietnam's total imports. However, U.S. suppliers, thanks to a reputation in Vietnam for high quality products, advanced technologies and professionalism, possess good potential to increase their market presence in Vietnam.

Trade Events

1. **Vietnam Plas 2011**, 19-22 April 2011, Hanoi, Vietnam
<http://www.vietnamplas.com/hanoi/>
2. **China Plas 2011**, 17-20 May 2011, Guangzhou, China, <http://www.chinaplasonline.com/>
3. **Vietnam Plas 2011**, 21-24 September 2011, Ho Chi Minh City, Vietnam
<http://www.vietnamplas.com/hcm/>

Resources

U.S. Commercial Service in Vietnam: <http://www.buyusa.gov/vietnam>

Vietnam Plastics Association: <http://www.vpas.vn>

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